

*Ypaw. LLC
6802 Sh. Snowville Rd. Suite E.
Brecksville, OH 44141*

WEST VIRGINIA

OIL AND GAS LEASE

This Lease Agreement (the "Lease") is made and entered into this 15th day of January 2011 (the "Date Hereof"), and effective as of March 1, 2011 (the "Effective Date") by and between Daniel L. Dobbs and Julie A. Dobbs, his wife, having an address of 824 Echo Valley Glendale, WV 26038 (hereinafter referred to as "Lessor"), and AB RESOURCES LLC, a Delaware limited liability company, having an address of 6802 W. Snowville Road, Suite E, Brecksville, Ohio 44141 (hereinafter referred to as "Lessee"). This Lease shall be recorded no later than One Hundred, Twenty (120) days from the Date Hereof.

(1) GRANTING PROVISION - In consideration of the sum of Ten Dollars (\$10.00) in hand paid, the receipt and adequacy of which is hereby acknowledged, and in further consideration of the covenants and agreements herein contained, Lessor hereby grants, leases and lets exclusively to Lessee, its heirs, successors and assigns, for the purpose of exploring for (including geophysical operations), drilling for, developing, treating, producing, operating for, and marketing oil and/or gas, along with all other hydrocarbon substances produced in association therewith, plus all other rights and privileges that are necessary for or convenient in producing, withdrawing, storing, transporting, and marketing oil and gas, regardless if such rights are specifically enumerated herein, in and to the lands covered hereby. For a description of the lands covered hereby see Section 2 below.

This Lease cancels and supersedes any previous oil and gas leases by and between the parties hereto.

(2) DESCRIPTION OF LANDS - The lands covered by this Lease are those certain tracts or parcels of land situate in Meade District, Marshall County, West Virginia, as each tract or parcel is more precisely identified on Exhibit "A", which is attached hereto and made a part hereof. On the Date Hereof, the total acres of all lands covered by this Lease are 111.49 acres, more or less. This Lease includes any interest in said lands that Lessor hereafter acquires by reversion, prescription or otherwise. In addition to the lands set forth on Exhibit "A", Lessor hereby leases and lets unto Lessee any and all strings or parcels of land that are owned or may be claimed by Lessor that are adjoining or contiguous to the lands specifically identified hereunder. All lands hereby leased to Lessee, including all subsurface strata or horizons, are hereinafter referred to as the "Leased Premises".

(3) TERM OF LEASE - Subject to the other provisions contained herein, this Lease shall be and continue in full force for a Primary Term of Five (5) years from the Effective Date (the "Primary Term") and for a secondary term that is for so long thereafter (after the Primary Term) as oil, gas or other substances covered hereby are produced, or capable of producing, in paying quantities, as determined by Lessee, or this Lease is otherwise maintained pursuant to the provisions hereof.

(4) LESSOR ROYALTIES - Subject to the terms and conditions hereof, Lessee shall pay or deliver to Lessor, as royalty, the following:

- (a) For crude oil (hereinafter "Oil"), including condensate, Lessee shall pay to the Lessor, as royalty, free of production cost, Eighteen and 50/100 Percent (18.50%) for the proceeds realized by Lessee from the sale of all crude oil produced and sold from the Leased Premises; and,
- (b) For natural gas (including casing-head gas) and all other substances, except Oil, covered hereby (hereinafter "Gas"), the royalty shall be Eighteen and 50/100 Percent (18.50%) of the proceeds realized by Lessee from the sale thereof, with no deduction of any costs incurred by Lessee or its affiliates to gather, transport, compress, dehydrate or otherwise treat such gas prior to the point of custody transfer into pipelines or other facilities owned by a regulated utility or pipeline company or a non-affiliated third party. For all Gas so produced and sold, the volumetric measurement base shall be one (1) cubic foot of gas at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute and a temperature base of 60 degrees Fahrenheit unless adjusted to the average of hourly temperatures if the actual temperature of the Gas flowing through the sales or royalty meter is recorded. For the purpose of this provision, all Gas volumes associated with this Lease shall be calculated on an Mcf basis.

(5) LESSOR'S INTEREST - If Lessor owns less of an interest in the Leased Premises than the entire and undivided estate herein leased, then the royalties, shut-in royalties, delay rentals and any other payments made to Lessor by Lessee shall be paid by Lessee only in the proportion to which Lessor's interest bears to the whole and undivided estate. If the Leased Premises shall hereafter be subdivided, the Leased Premises shall nevertheless be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety, and shall be divided among and paid to such

separate owners in the proportion that the acreage owned by each owner bears to the entire Leased Premises. This Lease covers only the oil, gas and mineral rights owned by the Lessor in the Leased Premises, based on the information filed of record in the relevant property records of the Recorder's Office of the county in which the Leased Premises are located.

(6) **RENTAL PAYMENT** - This Lease is made on the condition that it will become null and void and all rights hereunder shall cease and terminate unless either work for the drilling of a well is commenced on the Leased Premises or lands pooled or unitized therewith within ninety (90) days from the Date Hereof and thence prosecuted with due and reasonable diligence, or unless Lessee pays to Lessor, in advance and commencing before said ninety (90) days and every twelve (12) months thereafter until work for the drilling of a well is commenced, the sum of Six Hundred, Forty and xx/100 **dollars (\$ 640.00)** per net mineral acre leased for each twelve (12) months of the Primary Term during which the commencement of the drilling of a well is delayed.

Payment or tender of all moneys due Lessor hereunder may be made by check or draft mailed or tendered to Lessor at the address above stated or any alternate address as directed, in writing, by Lessor.

PAID UP LEASE - Lessor hereby acknowledges receipt of payment in advance of all rentals set forth in Paragraph (6) herein above which are or may become due and payable for the five (5) years of the term set forth in Paragraph (3) herein above, and this Oil and Gas Lease is therefore paid up through said five-year term. The payment in advance shall be due and payable on or before **January 15, 2011** and shall be in an amount totaling \$356,768.

(7) **CONTINUING OPERATIONS** - If, at the end of the Primary Term or any time thereafter, this Lease is not being kept in force by any other provision hereof, but Lessee is then engaged in drilling, reworking or any other operation calculated to obtain production from the Leased Premises (including lands pooled or unitized therewith), this Lease shall remain in force for as long as such operations are conducted in a reasonably prudent manner and, if such operations result in the production of any substance covered hereby, then for as long thereafter as, in the opinion of Lessee, production continues or is capable of continuing in paying quantities.

(8) **POOLING OR UNITIZATION** - Lessee is hereby granted the right and option, either before or after commencing operations on or obtaining production from the Leased Premises or from lands pooled or unitized therewith, to pool or unitize all or any portion of the Leased Premises with any other lands, leases or property for the production of any substance covered hereby, so as to create one or more drilling or production units. Each such drilling or production unit shall not exceed six hundred forty (640) acres in size. In the event all or any portion of this Lease is so unitized, the Lessor agrees to accept in lieu of any royalty recited herein above such proportionate share of such royalty as the amount of the Leased Premises contributed to the given unit (based on acreage) bears to the total number of acres comprising the unit.

Lessee may create the unit by executing an instrument identifying and describing the pooled acreage and shall mail a copy thereof to the Lessor's last known address. Lessee shall have the recurring right to revise any unit formed hereunder either before or after commencement of production. In the event of a revision, Lessee shall execute a written instrument describing the revised unit and stating the effective date of the revision. Lessee shall mail a copy thereof to the Lessor's last known address and the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination.

Production, drilling or reworking operations anywhere on a unit that includes all or any part of the Leased Premises shall, except for the payment of royalties, be treated as if the production drilling or reworking operations were also on the Leased Premises.

If at any time after the expiration of the primary term of this Lease (including any extension of the Lease thereof), the land(s) covered by this Lease are being held solely through production royalties being paid to Lessor from a well(s) located on the herein leased premises or from a production unit in which the Land(s) leased herein are made a part of and the consideration for this Lease, to release all acreage covered by this Lease that is not included as part of any producing well(s) and/or part of any production unit. It is also agreed that if any of the property covered by this Lease is the drill site tract that 100% of that tract shall be in the unit; furthermore, any property herein leased that is placed in a pool or unit by Lessee shall also be in pool or unit at 100%.

(9) **ANCILLARY RIGHTS** - Lessor grants to Lessee the full right of ingress, egress, and regress on, over, under and through the Leased Premises with the right to transport by pipelines or otherwise, Oil, Gas, water and their constituents produced and/or saved from the Leased Premises or from lands pooled or unitized therewith, plus the following exclusive rights: (i) the right to inject water, air, brine, gas and other fluids into subsurface strata for enhanced or primary Oil and/or Gas recovery or production; and, (ii) the right of ingress, egress, and regress, as well as the right to lay and maintain

pipelines as granted hereby shall apply to the entire Leased Premises throughout all terms hereof, notwithstanding any release or other termination affecting any portion of the Leased Premises; and, (iii) the right of placing electric and telephone lines over the Leased Premises; and, (iv) the right to erect necessary buildings, tanks, towers, stations or other structures thereon; and, (v) the right to use, free from royalty, sufficient Oil, Gas and water produced from the Leased Premises for all operations thereon (provided Lessee finds water at its own expense); and, (vi) the right to sublease, subdivide and/or release all or any portion of the Leased Premises; and, (vii) the right to surrender all or any portion of this Lease at any time and thereupon Lessee shall be fully discharged from all obligations, covenants and conditions herein contained relating to the part or portion so surrendered.

When requested by Lessor, in writing, Lessee shall bury its pipelines below plow depth in areas utilized for farming operations. No well shall be located within two hundred (200) feet from any house now on the Leased Premises without Lessor's consent and Lessee shall pay for damage caused by its operations to buildings and growing crops thereon at the then current market rate for such crop. Lessee shall have the right to remove its fixtures, equipment and materials, including well casing, from the Leased Premises at any time during which this Lease is in force and effect and for up to ninety (90) days after the termination or expiration thereof.

(10) SHUT-IN ROYALTY - Notwithstanding anything herein to the contrary, if all wells on the Leased Premises, or on a unit that includes all or a part of the Leased Premises, capable of producing Oil and/or Gas in paying quantities are shut-in for a period of three hundred sixty-five (365) consecutive days, and there is no current production from or operations on the Leased Premises sufficient to keep this Lease in force or when this Lease is not otherwise kept in force by other provisions of this Lease, the Lessee may maintain this Lease in effect by tendering to Lessor a shut-in royalty equal to five dollars (\$5.00) for each acre of the Leased Premises that is part of the acreage contained in any production unit as described in Sections 8 above. Said shut-in royalty shall be paid or tendered to the Lessor on or before the end of each 365 day period in which all wells are so shut-in. Upon payment of the shut-in royalty as provided herein, this Lease will continue in force during all of the time or times while such wells are so shut-in.

(11) CESSATION OF PRODUCTION - If, after the expiration of the Primary Term of this Lease, a well that produces Oil, Gas, and/or their constituent parts (or a well that is shut-in for any reason or cause) that is located on the Leased Premises or on land pooled or unitized therewith, is plugged and abandoned and is the only remaining well that maintains this Lease in force and effect, this Lease shall not terminate provided that Lessee commences operations for the drilling of a new well within sixty (60) days after the plugging and abandonment of such last well on the Leased Premises then in effect or on lands to be pooled or unitized therewith; and this Lease shall remain in force and effect as to such Leased Premises provided that such operations are diligently carried on with no cessation of more than sixty (60) consecutive days, subject to force majeure; and if such operations result in the production of Oil, Gas, and/or their constituent parts, then this Lease shall continue for so long thereafter as Oil, Gas, and/or their constituent parts is produced from such Leased Premises, or from land pooled or unitized therewith.

(12) TAXES - All taxes assessed or payable on the Oil and Gas or any increase in the real estate taxes, or taxes in lieu of real estate taxes, because of the Oil and Gas or operations under this Lease shall be paid by the parties hereto in proportion to their interest.

(13) FORCE MAJEURE - When drilling or other operations are delayed or interrupted by storm flood, fire, or other acts of God, war, rebellion, insurrection, riot, strikes, differences with workmen or failure of carriers to transport or furnish facilities for transportation, or as a result of some law, order or regulation of the government, or as a result of shortage in material or equipment, or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruptions shall not be counted against Lessee, anything in this Lease to the contrary notwithstanding. This Lease shall not be terminated in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of any such law, order, rule or regulation or any event beyond the control of the Lessee. If from such cause Lessee is prevented from conducting drilling or reworking operations on the Leased Premises or producing Oil or Gas from the Leased Premises, or lands pooled therewith, the time while the Lessee is so prevented shall not be counted against Lessee and this Lease shall be extended for a period of time equal to that during which the Lessee is so prevented.

(14) DEFAULT - No default shall be declared against the Lessee for failure to make payment or perform any conditions provided for herein unless the Lessee shall refuse or neglect to pay or perform the same for thirty (30) days after having received written notice from Lessor of such nonpayment or nonperformance.

(15) SUCCESSORS AND ASSIGNS - All covenants and conditions between the parties hereto shall extend to their heirs, executors, successors and assigns and the Lessor hereby generally warrants and agrees to defend the title to the

Leased Premises, but no change or division in ownership of the Leased Premises, whether all or any part, shall operate to enlarge the obligations or diminish the rights of the Lessee. Lessor agrees that the Lessee, at its option, may pay, discharge or redeem any taxes, mortgages or other liens existing, levied or assessed on or against the Leased Premises, and in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.

(16) OPTION TO EXTEND - Lessor covenants that it will not grant an oil and gas lease or other similar rights in and to the Oil and Gas covered by this Lease, or any portion thereof, to any party other than the Lessee during the Primary Term of the Lease. Furthermore, If operations on the Leased Premises have not been commenced by Lessee during the Primary Term, then Lessee shall have the exclusive right and option, no less than thirty (30) days before the end of the Primary Term, to extend the Primary Term of this Lease for an additional five (5) years commencing from the last day of the original Primary Term. Should Lessee decide to so extend the Primary Term, it must first pay the Lessor an amount, on per acre basis, equal to that which was paid to the Lessor under Paragraph 6 hereof, and such payment shall continue annually thereafter until operations for the drilling of a well are commenced on the Leased Premises or on lands pooled therewith. It is understood that the Lessee shall not be permitted to begin any activities during the extended Primary Term of this Lease unless and until the initial extension payment mentioned above has been paid to the Lessor.

(17) ARBITRATION - Any disputes or issues concerning this Lease or performance thereunder that can not be resolved between the Lessor and the Lessee shall be ascertained and determined by three disinterested arbitrators, one thereof to be appointed by the Lessor, one by the Lessee and the third by the two so appointed as aforesaid, and the award of such three persons shall be final and conclusive. The cost of such arbitration will be borne equally by the parties.

(18) WAIVER IN WRITING - The failure of either party to enforce or exercise any provision of this Lease shall not constitute or be considered as a waiver of the provision in the future unless the same is expressed in writing and signed by the respective parties.

(19) GOVERNING LAW - This Agreement shall be construed under the laws of the State of West Virginia.

(20) HEADINGS - The headings used throughout this document are for purposes of convenience and reference only and shall in no way limit, alter, interpret, or affect the provisions, conditions, or agreements contained herein.

(21) The location of any well, access road or pipeline shall be mutually agreed upon by Lessor and Lessee, which consent shall not be unreasonably withheld by Lessor.

(22) Lessee shall indemnify and hold Lessor harmless from and against any and all direct and indirect liability, loss, cost, injury, damages, and expenses (including Attorney's fees) to any person or property arising from or in connection with the performance of its drilling and production operations and any damages or injury by or arising from any act of negligence, omission, or default of the Lessee in connection with its drilling and production operations on Lessor's property.

(23) Ground to be restored as near as possible to its original condition, as existed prior to drilling operations.

(24) In the event any activity carried on by Lessee, pursuant to the Lease, disturbs, injures, or damages fresh water source or well on the premises, Lessee shall, at its sole cost and expense, use its best efforts to repair or correct any such disturbance, injury, or damage.

(25) All access roads used by the Lessee pursuant to its drilling and producing operations on the Leased Premises shall be kept in a passable condition, free of significant ruts. Lessee shall utilize shale, gravel, or crushed stone and sluice pipes, where necessary, to maintain the condition of the roads. Upon request of Lessor, shall erect and maintain a gate on any access road used by Lessee. If the gate is locked, a key shall be furnished to the Lessor.

[Remainder of Page Intentionally Left Blank, Signature Page to Follow]

IN WITNESS WHEREOF, Lessor and Lessee have hereunto executed this Lease, effective as of the Effective Date.

LESSOR

Daniel L. Dobbs
Daniel L. Dobbs
Social Security # 233-17-9571

Julie A. Dobbs
Julie A. Dobbs
Social Security # 236-23-7763

LESSEE

Gordon O. Yonel
AB RESOURCES LLC
By: Gordon O. Yonel
Its: Chief Executive Officer

ma

- ACKNOWLEDGMENTS -

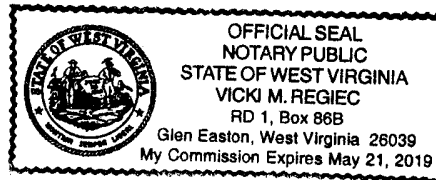
State of WV :
 : SS
 County of Ohio :

On this the 14th day of JANUARY 2011, before me personally came Juliet Dan Dobbs, who, being by me duly sworn did depose and say that he resides at 824 Echo Valley Glen Dale, and he duly acknowledged to me that he signed his name to the annexed Lease.

IN WITNESS WHEREOF, I hereunto set my hand and official seal

My Commission Expires: 5-21-2019

Vicki Regiec (SEAL)
 Notary Public



State of Ohio :
 : SS
 County of Cuyahoga :

On this the 21 day of January 2011, before me personally came Gordon O. Yonel, who, being by me duly sworn, did depose and say that he is the Chief Executive Officer for AB Resources LLC, the limited liability company described in and which executed the annexed Lease; and that he signed his name thereto by the requisite authority vested in him by said limited liability company.

IN WITNESS WHEREOF, I hereunto set my hand and official seal

My Commission Expires:

Patricia A. Gill (SEAL)
 Notary Public



PATRICIA A. GILL

**NOTARY PUBLIC
 STATE OF OHIO**

STARK COUNTY

**My Comm. Expires
 November 9, 2013**

Jan Pest
 MARSHALL County 11:47:40 AM
 Instrument No 1303527
 Date Recorded 04/25/2011
 Document Type O&G
 Pages Recorded 7
 Book-Page 730-270
 Recording Fee \$7.00
 Additional \$6.00

Jan Pest
 MARSHALL County 01:15:07 PM
 Instrument No 1299454
 Date Recorded 02/03/2011
 Document Type O&G
 Pages Recorded 6
 Book-Page 722-478
 Recording Fee \$6.00
 Additional \$6.00

STATE OF WEST VIRGINIA, MARSHALL COUNTY, SCT.:

I, JAN PEST Clerk of the County Commission of said County, do hereby certify that the annexed writing, bearing date on the 15th day of January 2011, was presented for and by me, admitted to record in my office upon the above certificate as to the parties therein named this 3rd day of February 2011 at 1:15 o'clock P.M.

TESTE: Jan Pest Clerk.

EXHIBIT "A"

This Exhibit "A" is attached to and made a part of that certain Oil and Gas Lease (the "Lease") dated January 15, 2011, and effective as of March 1, 2011, by and between Daniel L. Dobbs and Julie A. Dobbs, his wife, having an address of 824 Echo Valley, Glendale, WV, 26038, as Lessor, and AB RESOURCES LLC, a Delaware limited liability company, having an address of 6802 W. Snowville Road, Suite E, Brecksville, Ohio 44141, as Lessee, and is made a part of the Lease as if incorporated therein.

Tax Map Parcel**9-1-16**

Bounded substantially as follows:

On the North by lands of **Howard Eugene Young; Robert Clark**On the East by lands of **Robert Williams; Earl D. Burkhart**On the South by lands of **Peter Miller; John K. Mason, Jr.**On the West by lands of **David Tucker; Howard Eugene Young**

Containing 111.49 acres, more or less, in Meade District, Marshall County, West Virginia, and being the same lands conveyed to Lessor by deed dated July 13, 1998 and recorded in Deed Book 602 / Page 531 of the Marshall County West Virginia Recorder of Deeds' Office.

STATE OF WEST VIRGINIA, MARSHALL COUNTY, SCT.:

I, JAN PEST, Clerk of the County Commission of said County, do hereby certify that the annexed writing, bearing date on the 15th day of January 2011, was presented for and by me, admitted to record in my office upon the above certificate as to the parties therein named this 25th day of April 2011 at 11:47 o'clock A.M.

TESTE: Jan Pest Clerk.